



**Vermont Financial Literacy Commission**  
April 4, 2016

**Vermont Financial Literacy Commission Members Present:**

Beth Pearce, co-chair, Vermont State Treasurer  
John Pelletier, co-chair, Champlain College  
Mark Perrin, State Board of Education  
Martha Reid, Vermont State Librarian  
Courtney Poquette, Winooski High School  
Linda Tarr-Whelen, Tarr-Whelan Associates  
Thomas Leavitt, Northfield Savings Bank  
Yvonne Garrand, VSECU  
Sabina Haskell, representing commission member Scott Giles  
Justin Brown, Colchester High School

**Also Present:**

Lisa Helme, State Treasurer's Office  
Barbara White, citizen  
Mary Niebling, Capstone Community Action  
Christine Ardell, UVM, Student Financial Services  
Norman Craige, UVM, Student Financial Services  
Wanda Arce, VSAC  
Pam Chisholm, CCV  
Jimena Huaco, Champlain College

**CALL TO ORDER:**

John Pelletier, co-chair, called the meeting to order at 2:05 p.m. The meeting was held in the fourth floor Governor's conference room, Pavilion Auditorium, 109 State Street, Montpelier, Vermont 05609.

**Item 1: Approval of Meeting Minutes**

Mark Perrin moved for approval of the meeting minutes from March 7, 2016. The motion was seconded by Beth Pearce and approved by the commission.

## **Item 2: Presentations on College-Age Adult Financial Literacy**

Four presentations were given on this topic. Each person submitted a two-page summary related to their testimony. Those summaries are attached to the minutes.

The first presentation was by Norman Craige, Associate Director of Operations for the University of Vermont Student Financial Services. He described the process in which his office begins initial discussions with students regarding attending UVM. They challenge prospective students to consider whether UVM is: (1) a good academic/career fit for the student; (2) a good cultural fit for the student; and (3) a good financial fit for the student. He described the loan process and noted that the cost of education makes some level of debt necessary for many students. The UVM exit interview procedures seek to clarify with students the process for paying back student loans.

The second presentation was by Wanda Arce, VSAC's Director of Research. She reported on a longitudinal study of 5,300+ Vermont high school graduates that tracks their postsecondary aspirations and path after graduation. Data from the class of 2014 indicated an improvement in the percentage of students who had both applied for admission to college and for financial aid. Regarding the ability to pay for college, there was an increased concern expressed by students on the affordability of college.

The third presentation was from Pam Chisholm, Dean of Enrollment Services for the Community College of Vermont. Chisholm updated the commission on efforts CCV had initiated to increase the financial literacy of students. They received positive feedback on a "Little Open Online Course" they offered on personal finance. The course content remains available to CCV faculty to use within their classes. She believes imbedding the content within courses is a more effective approach than offering stand-alone sessions. Chisholm also believes that for institutions serious about increasing student financial literacy, coursework or information on personal finance should not be offered in an option format, but rather required of students.

The final presentation was by Jimena Huaco, Financial Sophistication Specialist at Champlain College. Huaco updated the commission on the college's LEAD program. The program is a required four-year program designed to help students develop life-long skills that are practical, meaningful and useful. LEAD focuses on engaged citizenship, lifelong career management, and financial sophistication. They have noted a positive reaction by students to workshops or activities led by their peers. The peer-to-peer model created more engagement and relatability by students. Nationally, Huaco noted that there are efforts to move beyond simply providing financial information, but rather seeking to develop behavior modification strategies that lead to true financial wellness.

## **Item 3: Questions and Discussion**

Commission members asked the presenters questions at the conclusion of all presentations.

**Item 4: Outlining Next Step Processes**

The commission members held a discussion regarding whether additional testimony was needed or if members were ready to begin focusing on potential recommendations. The consensus was that the commission would like to begin work on recommendations and call for more testimony if needed. Lisa Helme will combine all of the recommendations made by those sharing testimony into one document and distribute it to commission members. She also will include those bullet points gathered from the first meeting of the commission that outlined the general areas of concern commission members had.

The dates for the next two commission meetings are May 2 and June 6, each from 2-4 p.m., in Montpelier.

**Item 5: Donation to the VT Financial Literacy Trust Fund**

This item was not discussed due to lack of time.

**Item 6: Public Comment**

There was no public comment offered at this meeting.

**Item 7: Adjournment**

John Pelletier adjourned the meeting at 4:15 p.m.

Attachments:

- UVM Student Financial Services
- VSAC Special Report Summary of Senior Survey 2014
- CCV Financial Literacy Efforts
- Champlain College LEAD Program

# University of Vermont

## Student Financial Services

### Report to Vermont Financial Literacy Commission, April 4, 2016

#### Addressing the Challenge of Choosing the Right College and Successfully Managing Student Debt

##### Mission Statement for UVM Office of Student Financial Services

We work collaboratively within the broader University community to support the University's goal of attracting and retaining a diverse and talented student body while fully adhering to all fiscal and regulatory requirements. We utilize the talents and skills of our service-oriented team to provide students and parents with outstanding service and with the critical information they need to make fully informed choices regarding funding a higher education.

##### UVM Student Financial Service; Expectation for Exemplary Customer Service

Customers served by Student Financial Services will receive consistent and accurate information to address their immediate concern, plus additional relevant knowledge to foster an overall understanding of their education finance issues. Their contact with SFS will end with a feeling of complete confidence that they have been thoroughly listened to, that they are valued by the University of Vermont, and that they are respected as an individual. We will be known for our compassion, our enthusiasm, our professionalism, and our expertise!

**Our primary goal is to recruit, enroll, and retain academically excellent students who successfully graduate on time.**

- We encourage families to consider three areas of fit in selecting a college:
  1. Is UVM a good academic/career fit for the student, and
  2. Is UVM a good cultural fit for the student, and
  3. Is UVM a good FINANCIAL FIT for the student.
- Honest conversations about cost and debt begin early with Open Houses and Admitted Student Visit Days.
- We encourage four year planning for prospective students, with a goal of on time graduation.
  - Grant & scholarship aid allocated based on merit and financial need.
  - First-second year retention 86%, compared to 67% national average\*
  - 6 year graduation rate 77%, compared to 43% national average\*

\*statistics from Dept. of Education College Scorecard

- A student leaving school with an unpaid balance is a worst case scenario.
  - Academic transcript held until balance paid and student blocked from registration for future classes.

**The cost of education makes some level of debt necessary for many students. We do our best to provide information about debt to help students and parents plan wisely.**

- 47% of students borrow federal loans, with \$22K average federal debt at graduation. (US Dept. of Education College Scorecard)
- Webpages and online resources
  - Provide education about loans
  - Promote scholarship and grant opportunities
- Counseling through campus visits, phone, e-mails
- Promissory Notes, Disclosures, Terms and Conditions
- Loan entrance counseling

**Prospective students come from an array of economic and cultural backgrounds.**

- The right choice for one student may not be right for another.
- Consider education as an investment. Cost and return are both important.
  - \$44,000 annual salary 10 years post-graduation (US Dept. of Education College Scorecard)
  - Average high school graduate salary \$30,000 (National Center for Education Statistics)
- Weigh debt against future earnings
- Some students arrive with a good understanding of financial responsibility and debt, while others have virtually none.

**Despite the best laid plans, many things can change after a student starts college.**

- When financial plans fail, the challenge becomes deciding whether to transfer, withdraw, or persevere with additional borrowing.
- Student Financial Services coordinates support with academic units and Student Affairs to identify scholarship funding and support resources.

**As graduation approaches, prepare for successful student loan repayment.**

- Exit counseling: online sessions and in person meetings upon request
- Communicate regarding grace period, deferments, repayment options
- National Student Loan Database
- Debt repayment specialist and loan servicer available

Source: VSAC Senior Survey 2014

## The Senior Survey of 2014

**Overview**

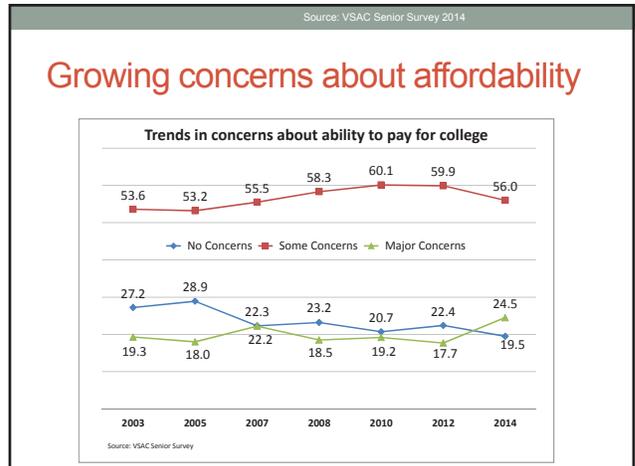
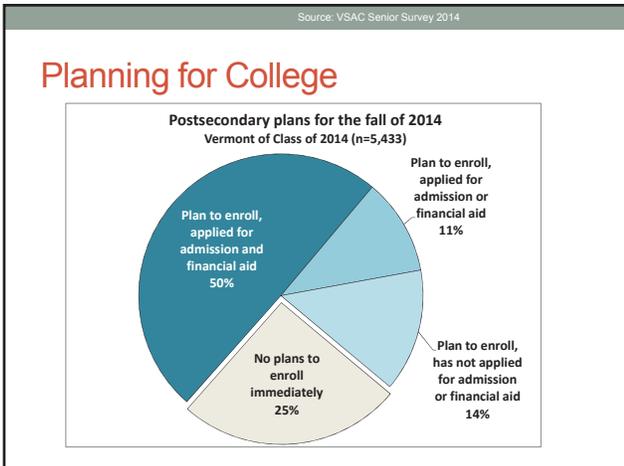
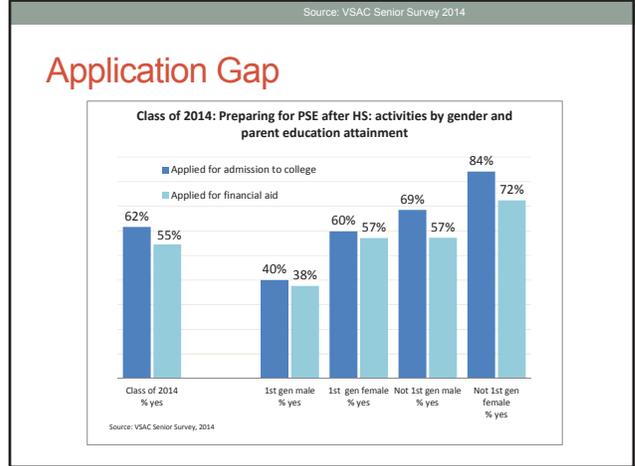
- Longitudinal study of 5,300+ high school graduates from 61 public and private high schools, representing 83 percent of all Vermont high school graduates
- Survey administered from April to June, 2014
- Postsecondary enrollment through AY 2015-16

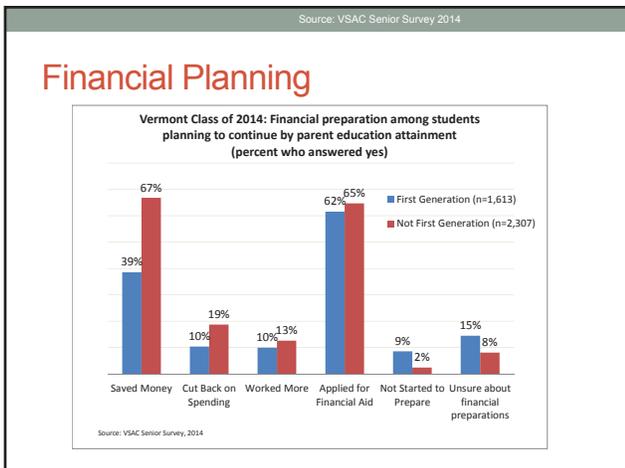
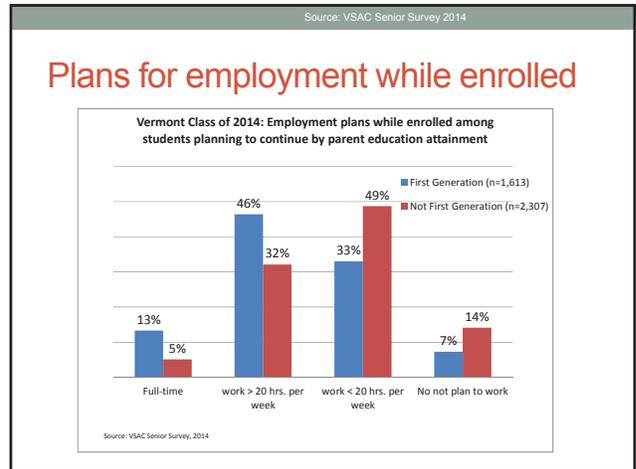
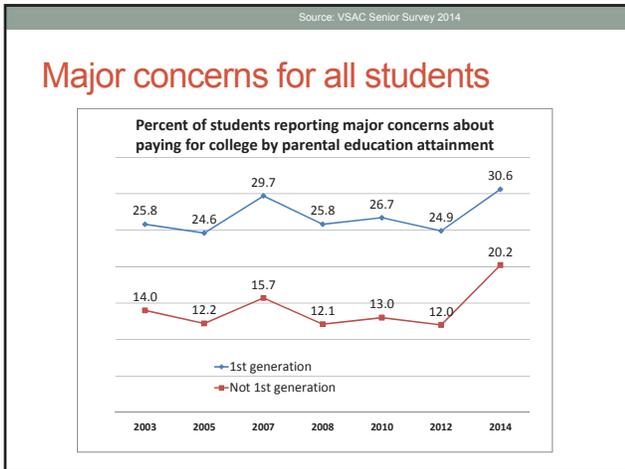
**Research Questions**

- What are students' postsecondary aspirations?
- How do postsecondary trajectories differ by student characteristics?
- What types of institutions do students decide to attend?

**Senior Survey Data Collection Waves**

- Base year (2014): Senior Survey Questionnaire
- First Follow-up (2016): Fall 2014 and Fall 2015 enrollment verification using National Student Clearinghouse





Source: VSAC Senior Survey 2014

### VSAC's Senior Survey Reports

*Available now:*  
**Vermont's Class of 2012: Highlights and challenges for pursuing a postsecondary education**  
[vsacnews.org](http://vsacnews.org) under the "research" tab

*Coming soon:*  
**Vermont's Class of 2014: Postsecondary Education Aspiration Revisited**

Community College of Vermont Financial Literacy Efforts  
Presentation to Vermont Financial Literacy Commission  
April 4, 2016

**“LOOC” – Little Open Online Course**

- Launched March, 2014
- 5 week course:
  - Budget and Goal Setting
  - Understanding Credit
  - Mastering Credit Cards
  - Borrowing Basics
  - Bank on It (services provided by banks and credit unions)
- Content developed by two CCV financial aid staffers, with [Colin Ryan](#) delivering the content for all five sessions
- CCV financial aid staffers responded to questions/comments
- Low number of participants (156) but many page views (160-770 depending on the topic)
- 75% had no affiliation with CCV
- Feedback was positive; folks overwhelmed by the financial literacy tools available, appreciated our LOOC’s focus.
- Provided content to CCV faculty to use in their course; no data to support how many took us up on this
- Conclusion: Clear content from a trusted (VT?) source may have more uptake by Vermonters

**CCV Introduction to College Studies (ICS)**

- Financial literacy is part of our Intro to College Studies curriculum (targeted at mostly high school sophomores).
- In Winooski, St. Albans, and Montpelier, currently, New England Federal Credit Union provides the content and instruction for this part of the course. They also provide funding for financial literacy objectives in ICS throughout the state.

**Financial Literacy in our Developmental Skills Course/ Financial Aid counseling**

- Faculty trainings (focused on math faculty) on ways to incorporate financial literacy into their courses – budgeting, interest rates, etc.
- Provided faculty with free textbook materials and course objectives
- Uptake was spotty at the time, but seems to be gaining some traction
- CCV Financial Aid counselors (at least one at each of our 12 physical academic centers and our Center for On Line Learning) use budget worksheets with students who are asking for maximum loan amounts (including some private loan borrowing) well beyond their financial need. Has resulted in many students walking back their student loan requests.

### **First Year Seminar Course (Dimensions of Learning)**

- Recommendation going to our Academic Council (curriculum development and faculty senate related duties) to revise our Dimensions class curriculum to include more focused materials on career exploration/development and financial literacy.

### **Career Resources**

- Under the leadership of our Dean of Students, we have a robust career services program, which includes Cash Course as a resource.
- As part of the VSC, we are applying for a grant to allow us to add to our very effective academic, career peer mentors, and job hunt helpers with financial literacy peer mentors.

### **Delinquent and Default Management Initiatives**

- After federal Department of Education required our move to Direct Loans (as opposed to federal student loans administered by VSAC and other non-profits) in 2010, our default began to climb at alarming rates.
- CCV neither had the staff nor the infrastructure for following up with students who had separated from us (skip tracing, speeding dialing, metrics analysis, etc) so contracted with a default prevention group to assist us. They have worked very successfully with borrowers to get them back in good standing with various loan repayment options, and educate them on how this relates to their future educational goals, credit score, and future borrowing.
- Company refers borrowers to financial literacy tools.

### **Take aways**

- Even students at campus based institutions don't do "optional" until they are in a desperate situation. It's even harder at CCV, where the majority of our students are first generation, aren't comfortable with conversations about money, and have very busy work and family lives outside of our centers.
- Our hope is by embedding financial literacy in non-judgmental ways and with consistent delivery, we will make some head way.
- Our additional hope is that this will gain traction in the K-12 system, so students enter with more knowledge and comfort when they arrive at college campuses.

Respectfully submitted, with gratitude for your work,  
Pam Chisholm, Dean of Enrollment Services, Community College of Vermont

[Pam.chisholm@ccv.edu](mailto:Pam.chisholm@ccv.edu)

802-828-2855

**Champlain College LEAD Program**  
**Jimena Huaco, Financial Sophistication Specialist**

Jimena currently oversees the Financial Literacy curriculum and education for Champlain students through the LEAD program. Jimena is a member of the Advisory Council for the National Summit on Collegiate Financial Wellness and the VT Consortium on Collegiate Financial Education. Jimena worked in consumer and residential lending as well as personal and commercial banking before transitioning to Higher Education.

**The LEAD Program at Champlain College**

The LEAD Program is a required four-year program designed to help students develop lifelong skills that are practical, meaningful and useful. All traditional undergraduate students at Champlain participate in LEAD, which focuses on three main areas:

- Engaged Citizenship
- Lifelong Career Management
- Financial Sophistication

The Financial Sophistication curriculum requires each student to participate in at least one educational experience each academic year. Students get an ‘a la carte’ experience where they choose which workshop to attend each year. The table below shows our different offerings available and the topics they cover.

LEA Financial Sophistication Offerings

MONEYTalk	Credit	Savings and Investing	Personal Finances and Budgeting	Insurance	Income
Budgeting - Online			2		1
Budgeting for Your Semester Abroad		2	2		2
Buying Your Car	2		2	1	
Buying Your Car - Online	1		2		
Check it Out!		1	2		
Don't Fall for It! Consumer Protection		2		2	
Free Credit Review Day*	3				
Game of Life*		1	2		1
Living Off Campus Panel	1		2		
Making Your Money Work for You	1	3			
Millionaire Investor Game*		2	1		
Maximizing Your Tax Return			1	1	3
Navigating Healthcare			3		1
One-on-one Financial Appointments	3	1	2		1
Repaying Student Loans	2				1
Understanding Credit*	3				
Understanding Employee Benefits		2		1	2

\*Workshops facilitated by student leaders trained in the financial sophistication program.

We partner with many organizations to facilitate many of these workshops. Some of these organizations are BlueCross BlueShield of VT, Champlain Housing Trust, CVOEO, Merchants Bank, New England Federal Credit Union, Northfield Savings Bank, and VT Department of Financial Regulation.

We also seek ways to give back. Last month we facilitated a Game of Life for 70 Oxbow High School students. We have also facilitated Understanding Credit sessions for VYCC AmeriCorps members.

Our workshops *Understanding Credit* and *Millionaire Investor Game* are facilitated throughout the semester by trained student leaders called Peer Advisors. They also facilitate Free Credit Review Days for students to review their credit scores and design action plans to improve their credit.

Our popular Game of Life is an interactive and dynamic budgeting simulation to get students thinking about their financial life after graduation. Our online offerings are exclusive for third-year students (to accommodate students spending semesters abroad).

### Financial Assessment

Our students complete a financial assessment before arriving on school and then again, during senior year. The assessment uses the JumpStart National Survey with additional questions around behavior and confidence level. Last year we had the first cohort to complete our curriculum including incoming and senior assessments. The assessment results gave us many insights:

- Students who better understand the concepts don't necessarily behave better than those who don't.
- Repeated exposure to a topic (sometimes even by attending the same workshop) is associated with higher assessment results for that topic at senior year.
- The Peer-to-peer model creates more engagement and relatability
- We are tipping the needle, but there's a lot more work to be done.

### National Trends

**Growing Interest in Collaboration.** The National Summit on Collegiate Financial Wellness has been a great point of inspiration for our program. We have been able to meet with many passionate practitioners and researchers who are always willing to share resources and broaden our perspectives.

**Financial Literacy vs. Financial Wellness.** Recent focus from this group of practitioners has been placed on behavior modification and the distinction between financial literacy and financial wellness. There is an urge to intentionally define programs based on their true objective by recognizing that *financial literacy* is not the umbrella term and that true financial wellness requires unique behavior modification strategies together with continuous coaching and/or mentoring.

**Holistic Approach.** While Financial Aid departments remain well involved in the conversation, there is a growing interest from other collegiate departments to tackle personal finances and economic empowerment for college students. Mental health counselors, Centers for Service, Student Life, etc. are some of the newer areas that are more and more involved and that bring very unique and valuable perspectives to the complex challenge of financial wellbeing.